

GUS-0301
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15 June 1959

MEMORANDUM FOR: Acting Chief, Development Projects Division
SUBJECT : Program Approval Procedures

1. I have already approved and sent along GUSTO Program Approval, Supplement No. 2 (GUS-0271) in order to avoid delay. Here-with, however, are comments I was prompted to make on it. This document, like its predecessor, seems to me to be basically in very good shape as to format, by which I mean that without quite burdensome study I can find my way all the way from the original Program Approval to Supplement No. 1 and Supplement No. 2 and can by and large understand what has happened to the numbers. I nevertheless have a few carping comments to make in the interests of perfecting even further our format in the new Fiscal Year.

2. As to the Program Approval itself, I make the following suggestions: On an original Program Approval (as distinguished from a supplement), I would attach a tabular summary of the paragraph 2. and 3. items showing how they add to the paragraph 4. I would suggest that in this summary there be one column for paragraph 2. items and a separate column for paragraph 3. items showing respectively the firm and unfirm estimated costs by tasks and by companies. There could then be a third column which would show totals (firm plus unfirm) by tasks or companies. Second, I would suggest a tabular recapitulation with each successive supplement containing a column each for the old paragraph 2. and paragraph 3. items and total columns for the old and the new totals by tasks or companies. This sounds complicated, but I believe in practice it would turn out to be a very simple and easy way to show in each successive supplement what shifts had been made from firm to unfirm items and between tasks or companies.

3. A minor point about format, but important: Every Program Approval or supplement thereto should be dated on the front page. I note that Supplements 1 and 2 to the GUSTO Program Approval were dated but the original Program Approval was not. The date should be the date as of

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which the document was completed and the information therein was up to date. Date spaces can then be placed next to the signature lines as a record of the timing of approvals at various stages.

4. My final comment has to do with the relationship between Program Approvals and supplements thereto on the one hand and the periodic Projection Reports. With reference to the present case, please note these facts:

a. The latest Projection Report purports to give information as of 31 May; GUSTO Program Approval Supplement No. 2 is dated 25 May.

b. The former document projects a total for GUSTO for the current year of [redacted] whereas the Program Approval, including unfirm items, projects a total of [redacted]

c. There are also interesting differences in detail. Below the amounts by companies are compared showing, in Column 1, subtotals from the Projection Report and, in Column 2, the corresponding subtotals from Supplement No. 2.

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Certain of the discrepancies between the two are readily understandable. For instance, I assume that in the case of Lockheed, [redacted] reductions made in Supplement No. 2 simply did not get into the Projection Report, which is of course entirely understandable. In the case of [redacted]

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[redacted] there is no difference when the unfirm items are taken into account. On the other hand, certain differences are mysterious to me. I am curious to know why the Supplement approves a cost for [redacted] which is not only less than one-half that shown in the Projection Report but is considerably less than the amount already obligated in the contract. In the case of [redacted]

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[redacted] I am interested to know what the [redacted] is for and why it does not appear in the Program Approval.

5. The fact that I felt constrained to make up this table before being sure about the numbers in either of these two documents indicates why I believe we should strive for closer correspondence between them in the future. In particular, it seems to me the moral of the above comparison is that we must find a way to identify contracts or parts thereof with tasks so there can be a common and uniform understanding of how much is planned or budgeted under what contracts for each major program and so that obligations can be reported against these planning or budget totals.

6. I wish to repeat, I am gratified by the very great strides represented by our present program procedure and the Projection Report format. I hope you will excuse this minor continued carping.

(R.M. Bissell, Jr.)

RICHARD M. BISSELL, JR.
Deputy Director
(Plans)

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